



How will the EU's data protection reform simplify the existing rules?

Current data reporting requirements are complex and costly – an example

A chain of shops has its head office in France and franchised shops in 14 other EU countries. Each shop collects data relating to clients and transfers it to the head office in France for further processing.

Under current rules, France's data protection laws would apply to the processing done by head office, but individual shops would still have to report to their national data protection authority, to confirm they were processing data in accordance with national laws in the country where they were located.

This means the company's head office would have to consult local lawyers for all its branches to ensure compliance with the law. The total costs arising from reporting requirements in all countries could be over €12,000.

Why do the data protection rules need to be simplified?

Individuals and businesses expect data protection rules to be **consistent** and applied in a **uniform manner** across the EU. More than 90% of Europeans said they want **the same data protection rights across the EU**. This is not the case today.

Furthermore, businesses are faced with a maze of national data protection laws that impose costs and complicate the processing of personal data across borders. The reform will minimise red tape, particularly by **doing away with the current obligation**

Attitudes towards data protection

- Almost **6 out of 10** internet users usually **read privacy statements (58%)** and the majority of those who read them **adapt their behaviour** on the Internet **(70%)**.
- Even though a majority of European internet users feel **responsible themselves** for the safe handling of their personal data, almost all Europeans are in favour of **equal protection rights across the EU (90%)**.
- Most Europeans think that companies breaching data protection codes should be **fined (51%)**, **banned from using such data** in the future (40%), or compelled to **compensate the victims (39%)**.

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to notify all data processing, which costs businesses about **€130 million per year**, and prior authorisation for international transfers of data based on **binding corporate rules** or standard contractual clauses.

What is the European Commission proposing?

The Commission wants to **simplify and streamline** the data protection rules across Europe. It will do this through **increased harmonisation** and a **one-stop shop for enforcement**. Each business will be answerable to just **one data protection authority**, and both businesses and consumers will have a **single point of contact**. The proposals will also drastically **simplify international transfers of data** outside of the EU, to facilitate global trade.

How will this help?

The new **simpler, clearer and stronger rules** will make it easier for citizens to **protect their data online**. They will also cut costs for business considerably, providing **EU companies** with an **advantage** in global competition, as they will be able to offer their customers assurances of strong data protection whilst operating in a simpler regulatory environment.

A **single set of rules** at EU level will have a significant impact on business and enhance the attractiveness of Europe as a location to do business, at the same time as strengthening the EU in its global promotion of **high data protection standards**.

Ending legal fragmentation and reducing administrative obligations (e.g. notification requirements) will **save €2.3 billion per year**, which businesses could use for **investment**, both within the EU and beyond. This simplification of the regulatory environment will give the EU a more predictable business environment in data protection, with a set of rules encouraging **more consumer confidence** and a **better-functioning internal market**.

What will be the key changes?

- Creating a **single set of rules** applicable across the EU.
- Establishing a **'one-stop-shop' system** – a single data protection authority (DPA) would be responsible for a company operating in several countries (the DPA where the company has its main base).
- **Abolishing unnecessary bureaucratic requirements** such as notification obligations.
- **Simplifying transfers of data** out of the EU while ensuring the protection of personal data.